

PEACE EFFORTS IN THE MIDDLE EAST AREA

REPORT

OF A

STUDY MISSION TO THE MIDDLE EAST
JANUARY 3-16, 1976



MARCH 3, 1976



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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., March 3, 1976.

This report is submitted herewith to the Committee on International Relations by a study mission which traveled to the Middle East area in January 1976 to obtain information in connection with legislation pending before the committee.

The observations and findings in this report are those of the study mission and do not necessarily reflect the views of the membership of the full Committee on International Relations.

THOMAS E. MORGAN, *Chairman.*
L. H. FOUNTAIN.
CHARLES WILSON.
WILLIAM S. BROOMFIELD.
PAUL FINDLEY.
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(III)



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INTRODUCTION

On October 30, 1975, the President sent to Congress a message requesting substantial sums for international security assistance in fiscal year 1976 and "such amounts as may be necessary" for fiscal year 1977. The major share for fiscal 1976—some 70 percent—was requested for programs he stated were necessary to sustain peace in the Middle East, with the principal recipients being Israel and Egypt. The President also proposed security assistance for the two allies on NATO's south-eastern flank, Greece and Turkey.

Noting U.S. peace efforts in the Middle East since the 1973 war, with the Sinai disengagement agreement of 1975 as the latest move in the step-by-step process toward a permanent settlement, the President stated that: "The hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century."

Concerning Greece and Turkey, the President said implementation of his proposed programs "would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis." He concluded that:

After 25 years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship.

The Presidential request was referred to the International Relations Committee. On November 6, Chairman Morgan and the ranking minority member, Mr. Broomfield, introduced the President's proposal by request. The committee began hearings that day with the Secretary of State as the lead witness. Other prominent administration spokesmen followed, after which the committee heard Members of Congress and nongovernmental witnesses.

The committee moved into markup November 13 on the basis of draft legislation which combined the President's request and amendments derived from extensive studies which had been conducted by the committee.

By the time of the congressional year-end recess, the committee had completed much work on the legislation. However, in the course of the testimony and markup, the chairman and various members felt it necessary to have more complete information on certain questions that had arisen during the proceedings on the bill. It also became apparent that some of these matters would have to be dealt with again fairly soon in separate fiscal 1977 legislation.

Under these circumstances—the importance to major peace efforts of the pending and prospective legislation, and the need for further information before committee action—Chairman Morgan decided to

lead a bipartisan committee study mission to examine, firsthand, the situation in the Middle East. The congressional recess provided an opportunity to do so without interrupting the legislative process.

Chairman Morgan was joined in the mission by Congressman William S. Broomfield, the committee's ranking minority member, and by Congressmen L. H. Fountain, Charles Wilson, Paul Findley, Larry Winn, Jr., and Robert J. Lagomarsino.

The mission left Washington January 3, 1976. After a 1-day stop in Naples, headquarters of the NATO Southern Command, the group visited Egypt January 5-7, Israel January 7-9, Iran January 9-11, Turkey January 11-13, Greece January 13-14, and Yugoslavia January 14-15, returning to Washington January 16.

Because of a mishap in Naples, requiring medical attention, Chairman Morgan remained there temporarily but rejoined the group in Ankara. During his absence from the mission, Congressmen Fountain and Broomfield acted as cochairmen.

The mission met with the leadership in the capital of each country visited. It was received with graciousness and cordiality throughout its journey.

The chairman and members unanimously wish to express their appreciation to the leaders and hosts in each nation visited, and to the American Ambassadors and staffs and departments for their assistance in the success of the mission.

After returning to the United States, the mission conferred on January 20 with Under Secretary of State Joseph J. Sisco concerning its findings and recommendations, and on January 22 met with President Ford.

NATO'S SOUTHERN COMMAND

On January 4 in Naples, the mission received a briefing from Adm. Stansfield Turner, Commander in Chief, Allied Forces, Southern Europe, at the admiral's residence. Senior members of the admiral's staff also were present for the discussion.

Admiral Turner's command is one of the three under the Supreme Allied Commander for the North Atlantic Treaty Organization in Europe, the other two being the Northern Europe and the Central Europe Commands. The Southern Europe Command extends from Gibraltar to the Black Sea and is responsible for the defense of the NATO region including Italy, Greece, and Turkey. It maintains a working relationship with France, although the French do not participate formally in NATO.

Admiral Turner spoke of four potential combat theaters in the southern region along its 1,700-mile defense arc that extends from Resia Pass in northern Italy to Mount Ararat in eastern Turkey, in the event of attack by Warsaw Pact forces. They are northeast Italy, Greek and Turkish Thrace, eastern Turkey, and the Mediterranean.

The Warsaw Pact forces are estimated by the NATO Command to have a land force superiority of $1\frac{1}{2}$ to 1 numerically facing the southern region and an air superiority of $2\frac{1}{2}$ to 1, including advanced aircraft and a more comprehensive air defense missile system. In the Mediterranean, NATO forces are numerically superior though the Russians have engaged in an extensive buildup and now have a Mediterranean fleet among the most modern and sophisticated in the world.

The Mediterranean figures importantly in NATO's southern command because of its geography: The land fronts are separated from each other by water with Italy, Greece, and Turkey all having extensive coastlines.

While NATO still is the leading naval power in the Mediterranean, Admiral Turner voiced concern about the increase in Soviet forces while those of the alliance are decreasing. Concerning Greek-Turkish dissension over Cyprus, he told us he was personally optimistic that both parties realize they must make progress toward a settlement.

The admiral also expressed views on other political problems in the area and responded to questions.

EGYPT-ISRAEL

Ever since the October 1973 hostilities in the Middle East, the U.S. Government has been actively engaged in assisting the parties to reconcile their differences through the process of step-by-step negotiation. The specific achievements to date—two interim agreements between Egypt and Israel in the Sinai and one agreement between Israel and Syria on the Golan Heights—are significant both as military disengagement and for the psychological impact of the negotiations. Largely as a result of the U.S. diplomatic initiative, the principals to the Middle East dispute have broken with the patterns of the past and opted for negotiation rather than war as the preferred means to settle their problems.

Maintaining the momentum toward a just and durable peace in the Middle East is of obvious concern to Congress and the American public. We have seen vivid, compelling evidence of the human and economic cost of hostilities in the region; we are encouraged by the U.S. role as catalyst in the negotiations, by the progress to date, and by the potential for further progress toward peace.

The Congress has played a significant role in the U.S. effort. It has consistently encouraged peace endeavors and, specifically since the October war, has enacted legislation to assist the Middle East parties in a manner designed to enhance prospects for a just settlement. The international security assistance bill pending before the International Relations Committee at the end of 1975 featured further proposed aid, primarily for Israel and Egypt, toward this end.

In visiting Egypt and Israel, the mission had two important objectives: to examine the requirement of each country for proposed U.S. assistance and to ascertain, on the basis of face-to-face discussions with the leadership of each country, the prospect for continued movement toward peace in the area.

DISCUSSIONS WITH EGYPTIAN LEADERS

The mission arrived in Cairo on January 5 and attended a country team briefing at the American Embassy that afternoon. In the evening the delegation attended an Embassy reception to which prominent Egyptians from governmental and private sectors were invited. The hosts were Deputy Chief of Mission Frank Mastrone (Chargé in the absence of Ambassador Hermann Eilts who was in Washington for consultations) and Mrs. Eilts. On January 6 the mission met with Dr. Gamal Oteify, Deputy Speaker of the People's Assembly, and selected members of the Egyptian People's Assembly. We then traveled to the Barrage for a meeting with President Sadat. In the evening the mission attended a reception hosted by Dr. Oteify. On January 7, before departing for Israel, the delegation met with the Speaker of the People's Assembly, Sayyid Mar'i, and other Egyptian Parliamentarians.

In our discussions with the Egyptian leadership the following views were expressed to the mission :

United States-Egyptian relations

United States-Egyptian relations have improved dramatically since the 1973 war and currently are excellent. The warm reception accorded President Sadat during his visit to the United States had a very favorable impact on the President and the people of Egypt. Egypt also is thankful for various forms of U.S. economic assistance since the war, including our help in clearing the Suez Canal and in establishing an Egyptian early-warning station near the Sinai passes. Egypt does not demand an end to America's special relationship with Israel, only an "objective" look at the Middle East situation. Egypt strongly hopes for a continuation of U.S. peacemaking efforts, despite 1976 being an election year in the United States. From Egypt's viewpoint, friendship with the United States cannot become just a slogan.

Massive U.S. military aid to Israel could jeopardize the future of United States-Egyptian relations, particularly if the United States is not prepared to respond positively to Egyptian requests for "defensive" arms. Egypt is anxious to avoid the mistakes of the 1950's; that is, a situation in which the United States refuses to respond to Egyptian requests for assistance and forces Egypt to look elsewhere for help.

Peace efforts

Egypt discerns a new willingness in the United States to take a fresh look at the problems of the Middle East. This is all Egypt had ever asked. Egypt favors a step-by-step approach as offering the best prospects for success, but emphasizes the urgent requirement for maintaining momentum. Egypt proposes a reconvening of the Geneva Conference, to be joined by the Palestinians as a next step in the peacemaking process. For the next several months the Conference would attempt to block out the framework of a global solution to the Middle East problem. Egypt does not expect a full U.S. peace effort during the election year, but after the election the new American administration would be able to throw the full weight of U.S. prestige behind the peacemaking process. Egypt recognizes that inclusion of a Palestinian representation at Geneva would cause problems for the Government of Israel. Egypt is ready to recognize Israel within her pre-1967 borders.

Palestinians

There can be no final settlement to the Middle East problem unless the aspirations and legitimate interests of the Palestinian people are taken into account. The Palestinian problem is a political problem and should be recognized as such. A West Bank-Gaza state, connected by a corridor through Israel, probably would be acceptable to the majority of Palestinians. The denial of the Palestinians, the refusals to deal with them, has produced the current ascendancy of radicals in the movement. The United States should undertake a dialog with the more moderate elements of the Palestinian movement to help forestall radical ascendancy.

Arms for Egypt

Egypt wants to obtain "defensive" arms from the United States. This would help in the context of peace negotiations, because there can

be no solution while Israel is powerful and Egypt is not. Israel's 1973 combat losses have been more than replaced by the United States. The Soviets have done the same for Syria. For the past 2 years, Egypt has received nothing of consequence from the Soviet Union. Arms from Europe cause logistic and parts problems. Egypt does not expect parity with Israel in U.S. military assistance, but would be satisfied with 40 percent of American supplies to Israel.

Economic

Egypt wants to turn her attention to economic and social development. For this it is necessary to have peace. Egypt's economy is a mixture of public and private sectors, and the private sector is being encouraged. If the encouragement of private enterprise in Egypt proves successful, it will be copied elsewhere in the Arab area. The United States should have a fundamental interest in supporting this development in Egypt. Egypt's desire to turn its attention to economic and social development is the best possible guarantee of Egyptian bonafides in the quest for peace.

Syria

Syria can cause trouble but cannot make war. Syria and the Palestine Liberation Organization have no meaningful choice but to go forward with the momentum toward peace. Egypt favors U.S. assistance to Syria, despite Syria's hostility toward Egypt, rather than leaving Syria to the Soviets.

Terrorism

The Palestinians have long been neglected. They cannot be expected to be reasonable, logical, and rational. International recognition of the movement will strengthen the hand of the moderate elements and hopefully decrease terrorism among the Palestinians. Even the PLO leadership has frequently condemned acts of international terrorism.

DISCUSSIONS WITH ISRAELI LEADERS

The mission arrived in Tel Aviv late in the afternoon of January 7, and proceeded directly to the American Embassy for a country team briefing. In the evening the mission attended a reception hosted by Chargé Thomas Dunnigan and Mrs. Malcom Toon, wife of the Ambassador, to which a wide range of Israeli Government officials and prominent persons from private life were invited. On January 8, the delegation met with Arnon Gafni, Director General of the Finance Ministry; split up for inspection trips to the Golan Heights and the Sinai; attended a working luncheon in Jerusalem with members of the Israeli Knesset; and received a briefing from Defense Minister Shimon Peres and the Chief of Staff, General Gur, in Tel Aviv. The briefing was followed by a dinner hosted by Minister Peres. Among those present and participating in a lively after-dinner discussion were former Defense Minister Dayan and Minister of Justice Zadok. On January 9, the mission met with Prime Minister Rabin before departing for Iran.

A summary of views given to the mission by Israeli leaders includes the following points:

Peace efforts

Israel favors the concept of gradualism in the peacemaking efforts. The new Sinai agreement is important because it continues the trend

toward peace in the area. Hopefully, this trend over the long run will produce a change in the state of mind of the parties and will lead to real peace. Some Arab parties, notably Syria and the PLO, are not yet prepared for even the early steps toward peace symbolized by the Sinai disengagement. The Soviets are using Syria and the PLO as instruments to block the United States-Egyptian-Israeli effort for an interim solution. As matters now stand, even the most moderate Arab leaders have yet to express a willingness to recognize the existence of Israel as a Jewish state; they just want to eliminate the state of war with Israel. President Sadat of Egypt is the Arab leader closest to accepting the concept of a reconciliation with Israel.

The pillars of the negotiating process are Security Council Resolutions 242 and 338, and they must be kept intact in order to keep momentum in the peace process. Israel is prepared to make territorial concessions in return for movement toward peace, but return of territory is related to steps toward peace. Israel is prepared for territorial concessions on the Golan Heights in the context of peace. To achieve peace in the Middle East, however, it is important to maintain the balance of power in the area and to use all diplomatic channels. The quest for peace requires patience, determination, and realism.

Palestinians

The Palestine Liberation Organization has declared as its goal a democratic secular state in Palestine, by which it means a state dominated and controlled by Arabs. Israel would agree to a state comprised of a federation of 3 million Jews and the 1.5 million Arabs in Palestine; everyone could vote, and there would be two Jews for every Arab. The best way to deal with the Palestinian dimension of the problem is through negotiations between Israel and Jordan. The majority of Jordanian representatives at Geneva were Palestinian, and Israel would not object if some prominent West Bank leaders were included. However, a Palestinian ministate on the West Bank would not be an answer to the Palestinian problem, and would inevitably undermine any agreement. The Palestinians are refugees who must be resettled in an Arab state.

Syria

Israel has agreed to negotiations with Syria under U.S. auspices but President Assad has refused to meet with President Ford to discuss the framework of such a negotiation. Syria, not Israel, is holding back on negotiations. Israel will not back down all the way in making territorial concessions on the Golan Heights, but for genuine peace might be prepared to do a lot.

Economic

Israel is making substantial sacrifices to meet her economic problems. U.S. aid does not improve the standard of living in Israel, it does not even meet her foreign currency needs for defense. Forty percent of Israel's budget goes for defense and 20 percent for debt service. Israel's program involves reducing the standard of living of her citizens, increased taxes, and reduced imports. Her people are the most heavily taxed in the world. Israel is asking for \$2.3 billion in aid from America, not to pay for war but to give Israel the basis of strength and security needed to continue her quest for peace.

At the same time Israel favors aid to Egypt for her economic development.

Military

Potential adversaries include Egypt, Syria, Jordan, Iraq and, considering the turmoil in Lebanon, foes on the hitherto inactive northern front. To the east, Syria, Jordan, Iraq, and Saudi Arabia together could muster some 14 to 15 divisions, 3,700 tanks and 700 combat aircraft. Israel has little buffer space in this direction, its population centers being close to the border. Thus it is essential for Israel to have early warning, even if only a few minutes, in case of an Arab offensive; and Israel believes she must dominate the terrain in order to get such warning.

The Arab States have the forces and the ability to attack Israel at any time they choose. The Arab States are improving the quality of their military equipment. They can buy from the United States, the Soviet Union, and Western Europe. Before 1973 Israel had to contend with only one technology, which was Russian.

FINDINGS AND RECOMMENDATIONS

The mission was very pleased and impressed with the warmth of the reception accorded to us in Egypt. While contrasting this with the chill of United States-Egyptian relations prior to the October 1973 war, we recall Speaker Mar'i's observation that Egyptians do not hate Americans even in bad times. We found that the welcome given to President Sadat during his visit to the United States last fall had been well noted in Cairo. President Sadat himself stressed to us that after years of confrontation, Egypt and the United States now enjoy a new relationship of understanding, and he added that "I should always be working for peace and will try to maintain the best possible relations with the United States."

There seemed to be little doubt about the genuineness of the interest shown by President Sadat and his associates in achieving a Middle East peace settlement. The focus of our talks was on how best to reach a solution. The Egyptian leaders envisioned the "step-by-step" approach as offering the best prospects, but stressed the necessity for continued forward movement. However, they also anticipated that the American effort on behalf of negotiations would be hindered somewhat during 1976 because of the U.S. elections.

Concerning the Palestinian question, Cairo's recommendation to us was that the United States enter into a dialog with moderates in the Palestine Liberation Organization (PLO). President Sadat specifically mentioned Yasir Arafat and Fatah in this connection, and said such a move by U.S. officials would strengthen the hand of the moderates and help forestall ascendancy of radicals among the Palestinians. Such a dialog would produce "a dramatic change in the Palestinian way of thinking," we were told.

We found noteworthy the high priority the Egyptian Government is placing on improving Egypt's economy. The desire to turn the country's resources to economic development is an important incentive for moving to a peace settlement.

In Israel, we found the leadership fully desirous of a peace settlement, and at the same time extremely wary of any missteps along the

way. Israel is willing to offer territorial concessions, but only in return for genuine progress toward peace. As Prime Minister Rabin explained, yielding territory could bring Israel closer to war, and shortcuts are not always the best way to achieve one's objective. He said the quest for peace requires patience, determination, and realism.

Like Egypt, Israel sees merit in the step-by-step process. The Sinai II disengagement was portrayed to us as evidence of the merits of gradualism. The hope is that in the long run a trend toward a solution will produce a change in the state of mind of the parties and will lead to real peace. The Israelis emphasize that, as the party being called upon to make concrete, as opposed to symbolic, concessions they must examine carefully each step in the negotiating process.

Israel clearly is not prepared to negotiate with the Palestine Liberation Organization at this time. She would prefer to negotiate Palestinian aspects of a peace settlement with King Hussein. She sees no willingness by the PLO to accept Israel's right to independent existence as a Jewish state.

From a military standpoint, Israel's defense leaders make a strong case concerning the possible threat to Israel. As part of their responsibilities, they must presume the possibility of a unified and surprise attack from all potential foes, which if it were to occur, would severely challenge Israel's defenses.

Israel's defense requirements entail severe economic burdens. Prime Minister Rabin spoke to us about how difficult it has been for him to go to the Israeli public with a program of reducing the standard of living, but it has been done. Israel is trying to help herself, but she also needs assistance from the United States.

We are pleased, from our talks in both Israel and Egypt, with the desire for peace manifest in both capitals.

We observed also that the leadership of each country has developed respect for the other.

We believe that the economic interests of each country provide a further strong incentive for peace, and that assistance from the United States to both is a worthy investment toward an eventual Middle East settlement.

IRAN

Iran's size, resources, and strategic location make her a major factor in relation to both the Middle East and South Asia. Under the vigorous leadership of the Shah and through intensive application of her resources, Iran is fast becoming a modern power. Because of her capacity as the world's second largest exporter of oil, her foreign economic policy has wide impact on the industrialized and developing nations of the world.

The United States and Iran have enjoyed close relations for many years. We have supported Iran's independence, encouraged her leadership in regional security affairs, and cooperated in her efforts for social and economic progress. Iran purchases arms from the United States on a large scale, and also imports a wide range of American goods and services for her economic development.

Because Iran would be affected by certain legislative proposals before the International Relations Committee, and because of Iran's unique relationship to other areas of concern to the mission, we welcomed the opportunity to obtain firsthand views of the leadership in Tehran.

The mission arrived in Iran on the afternoon of January 9. The delegation received a briefing from Ambassador Richard Helms and the country team at the American Embassy, and in the evening attended a reception hosted by Ambassador and Mrs. Helms at which a distinguished cross-section of Iranian governmental, academic and journalistic leaders was present. The following day the group met with the Minister of Economic Affairs and Finance, Hushang Ansary, with His Majesty the Shah, received a briefing from the U.S. Defense Representative, General Brett, and attended a reception hosted by the President of the Senate at which the delegation met members of both Houses of Parliament.

Views expressed to the mission by Iranian leaders included the following:

World situation

The United States cannot afford to turn isolationist. If the United States, the most powerful nation in the world, does not take up its global responsibilities, the Soviets will move into the vacuum. After the self-analysis following Vietnam, America must decide where its vital interests lie, make its stand clear to other countries, and continue to provide the leadership no other country can offer. We must not allow our strength to be sapped by the illusion that détente will restrain Soviet aggression.

Iran's international position

Soviet ambitions in the Middle East and South Asia pose a threat to Iran and the free world. Iran's military buildup must be seen in this light. The Soviets are providing sophisticated arms to Iraq and other

neighboring countries. In this region there must be someone besides the United States capable of intervening to stop the Communists if the need arises, since the United States cannot be expected to intervene in each and every situation. Ideally, Iran would prefer that no major powers be present in the Indian Ocean, but since the Soviets are pursuing intense naval activities in the area, Iran welcomes the U.S. Navy's presence at Diego Garcia. Iran's help will be required to police the Indian Ocean.

Arms sales

Iran is a peaceful nation but she must acquire arms against the possibility that she may have to stand up against Soviet or other radical influence in the area. Iran must have the means to protect herself. The Soviets, for example, have supplied Iraq with Migs, Scuds, Frogs and tanks. The Soviets have use of a new airport at Berbera and are basing 20 new missiles there. If Iran cannot procure a navy, the whole of the Indian Ocean may be left to the Soviet Union. Those who would restrict U.S. arms sales to Iran are irresponsible, because if the United States restricts herself from selling, Iran will buy elsewhere.

Economic

Iran has embarked on an extensive and so far successful economic development program. However a reduction in oil liftings causing a \$2.5-\$3 billion revenue loss this year threatens Iran's large foreign assistance program and her mushrooming purchases from abroad. Iran's largest trading partner is the United States, and if her purchases have to be curtailed this could impair the U.S. balance of payments and employment. Iran receives no aid from the United States. Its \$3.5 billion to be dispersed in foreign assistance in 1976 is 7 percent of Iran's GNP, the highest for any country in the world, although admittedly only \$1.2 billion of this is on concessional terms. Iran's GNP was up by 46 percent last year. She anticipates her current GNP of about \$50 billion will rise to \$170-\$180 billion by 1985, placing her on a par with Western European countries. Iran is pleased with operation of the United States-Iranian joint economic commission, but does not like her exclusion from the U.S. Generalized System of Preferences because of her membership in OPEC; Iran did not embargo oil to the United States in 1973, as did a number of other OPEC nations. Concerning oil prices, only 1 percent of U.S. inflation was caused by increased oil prices while the price of imports from the United States climbed 35 percent in the same period.

Palestinians

Iran sees no other solution to the Palestinian question than the establishment of a new Palestinian state. King Hussein will not be able to solve the Palestinian problem himself. The United States has no choice but to seek an appropriate dialog with the PLO, establishing relations with those who will eventually set up a Palestinian state.

Turkey-Greece

The United States must try to keep good relations with both Turkey and Greece.

TURKEY-GREECE

No area of the world is of greater importance to America's security than Western Europe. Within the Atlantic community, the key role in defense of the southeastern flank of NATO lies with Greece and Turkey. Thus, it is of concern to us, and to our other Atlantic friends and allies, when a serious dispute arises between Turkey and Greece, threatening NATO solidarity and peace in the eastern Mediterranean. It is of further concern when such a dispute damages our bilateral relations with both states and throws into doubt the future of important common defense installations in their territories.

In going to Ankara and Athens, the mission was mindful also of the need for American forces to maintain a credible presence in the eastern Mediterranean in times of crisis and to support U.S. goals in the Middle East. Our access to ports and air bases in both Turkey and Greece has enabled this in the past. Installations there additionally have provided significant intelligence about Soviet activities in the area, as for instance during the October 1973 war.

Therefore the mission was keenly interested in the Cyprus issue, the prime cause of dissension between our two longstanding friends and allies. Without urgency in movement toward a peaceful solution, we felt, the damage from the dispute could go beyond repair.

The Cyprus question, long a source of contention between Turkey and Greece, flared anew in the summer of 1974 when the legitimate government of Cyprus was overthrown with the assistance of the military government in Athens. Turkey, perceiving a threat to the Turkish Cypriot community on the island, intervened in Cyprus, using American-supplied equipment, and its forces still occupy 40 percent of Cyprus.

Congress invoked a ban on U.S. arms shipments to Turkey in view of the statutory requirement that American-supplied military equipment must not be used for purposes other than for which it is furnished. The ban took effect February 5, 1975. In July 1975, following House rejection of a Senate-passed bill providing for partial lifting of the arms embargo, Turkey suspended activities at joint defense installations in that country including intelligence collection stations.

In October the House passed legislation allowing release of the \$185 million of arms contracted and paid for by Turkey before the February 5 embargo, and permitting Turkey to make commercial military purchases in the United States. The measure further required that the President report to Congress every 60 days on progress being made toward a negotiated solution of the Cyprus conflict.

Meanwhile diplomatic efforts, through the United Nations and via bilateral contacts, have been made for a negotiated settlement. Secretary Kissinger, for example, met with the foreign ministers of Greece and Turkey while in Brussels last December. The various initiatives have not succeeded in any breakthrough to date, although in his Decem-

ber 5, 1975, report the President stated that "they have advanced prospects for a negotiated settlement."

It was in this atmosphere of strains in NATO, obvious distress in United States-Turkish bilateral relations resulting from the arms embargo, the shutdown of important installations in Turkey, and uncertainty over the prospects for movement toward a Cyprus settlement that the mission visited Ankara and Athens.

DISCUSSIONS WITH TURKISH LEADERS

The mission arrived in Ankara Sunday afternoon January 11. At 5:30 p.m. the delegation met at the residence of Ambassador William B. Macomber for a thorough briefing by the Ambassador and his country team. The briefing was followed by a reception by the Ambassador and Mrs. Macomber at which Turkish government, business, press, and academic leaders were present.

On January 12 the mission began the day with a simple but impressive wreath-laying ceremony at the Ataturk Mausoleum. There followed a series of meetings with senior officials of the Foreign Ministry concerned with American, NATO, and Cyprus affairs; a session with members of the Turkish Parliament at the Grand National Assembly (Parliament) Building; a private meeting and luncheon with Prime Minister Demirel; an hour's audience with President Koruturk at the Presidential Palace; an interview with former Prime Minister and opposition leader Ecevit at his Republican Peoples' Party headquarters; and an evening banquet hosted by Deputy Prime Minister and Mrs. Feyzioglu at the Parliament Building.

The Turkish leaders were friendly and candid in expressing their views to the mission. Their statements to us concerning important points of mutual concern can be summarized as follows:

United States-Turkish relation

For three decades, Turkey and the United States have had a mutual interest in stability and world peace. Turkey considers that this shared concern remains valid. However, there has been a severe setback in bilateral relations during the past year because of what Turkey views as an artificial link between the Cyprus issue and Turkish-American relations. Turkey believes it to be a mistake to inject this third country issue, with its long and complex history, into Ankara-Washington relationships. The embargo is particularly painful to Turkey since it comes from a trusted friend. Turkey sees it as a breach of faith and obligation and must now question the credibility of the U.S. defense commitment. However, there is a mutual interest and determination to restore our relationship to previous levels, which we hope will succeed.

NATO

Turkey regards NATO as an essential element of Western security; NATO is important to Turkey; Turkey has been a loyal ally for three decades; with NATO facilities in the country, Turkey has assumed additional security risks and must maintain adequate security forces. However Turkey's ability to meet her joint defense responsibilities, in view of her limited resources, is also related to available military assistance. Turkey's contribution to NATO will be in proportion to

her capabilities. The U.S. embargo hurts Turkey's capacity to continue as an ally for the common cause against a common threat. A multi-million-dollar airplane that the United States has supplied Turkey cannot fly if the United States will not allow shipment of \$50 worth of spare parts.

Bases

The United States-Turkish negotiations concerning bases in Turkey involve both status-of-forces agreements (the conditions governing the U.S. presence in Turkey) and the levels of U.S. assistance to Turkey. In order to undertake rational long-term defense planning, Turkey is anxious to know how much aid it will be receiving and for how long. This in effect would involve a long-term U.S. commitment. Turkey is not demanding rent or putting a price tag on its NATO membership, but needs some assurance of future aid levels. A conditional pledge of support is not enough.

Cyprus

Turkey's leaders (including opposition leader Ecevit) sincerely desire a resolution of the Cyprus problem. The Governments of Greece and Turkey have reached tacit agreement on the broad outlines of a Cyprus settlement: there should be a bizonal federation on Cyprus, with limited powers for a central government in which both communities would participate equally. The Turks are willing to negotiate on the borders of the Turkish zone, but have certain principles to which they adhere: the Turkish area should be economically viable, homogeneous and secure. When there is a settlement, Turkey will withdraw from Cyprus.

Turkish officials acknowledge that they face domestic political difficulties in negotiating a Cyprus settlement (although former Prime Minister Ecevit told us that he has encouraged the Government to move toward a settlement) and that the Turkish community on Cyprus, which has three political parties, has its own ideas on how the situation should be handled. Nevertheless, Turkey maintains that these problems are manageable and far less significant than what they see as the negativism and veto power wielded by Archbishop Makarios.

As evidence of Greek Cypriot recalcitrance and ill will, the Turks suggested that the Government of Cyprus, unhappy at the easing of the arms embargo, took the Cyprus question to the United Nations Security Council where it gained a resolution totally unacceptable to Turkey. Archbishop Makarios was accused of further stalling tactics by seeking to use the U.N. resolution as the basis for negotiations.

Turkey's position is that she did not cause the Cyprus problem and would like to see it settled since it diverts Turkish energies from pressing domestic problems. Turkey believes she acted with restraint and forbearance over a 15-year period while Archbishop Makarios violated the rights of the Turkish community on the island. After the extreme provocation of the Samson coup, Turkey believed she had the right to intervene in Cyprus. As to the argument that there was some justification for the initial Turkish intervention but not for the second-stage August offensive which led to the conquest of a great deal of territory and the displacement of most of the refugees, the Turkish view is as follows: after the initial invasion of Cyprus Turkey had too

many troops in too small an area. The situation was militarily untenable. In the initial Cyprus negotiations, the Turks had proposed a buffer zone enabling them to spread out their troops, but the Greeks had refused the idea. The second-stage operation had then become a military necessity; it was not intended to annex territory.

The arms embargo, from the Turkish standpoint, has not contributed to a Cyprus settlement. Turkey wants to negotiate a settlement on Cyprus but maintains that the embargo encourages the Greeks and Greek Cypriots to stall and manipulate the arms issue. She believes the Greeks can continue to try to hurt Turkey simply by standing pat.

Turkey has withdrawn 10,000 troops from Cyprus since its maximum buildup.

[NOTE.—With the announcement in early February of an additional withdrawal of 2,000 troops, the figure now stands at 12,000.]

Turkey believes that, in the past, offers made in good faith by Turkey were not given adequate consideration by the interested parties.

Turkish-Greek relations

Turkey is satisfied with the territory it has. It wants to promote economic development within its existing boundaries. It has always been and will continue to be a basic principle of Turkish foreign policy to seek solutions through negotiation to problems with Greece in order to establish a new era of friendship and cooperation in the relations between the two countries. To leave the problems unsolved is not in the interest of the two countries.

DISCUSSIONS WITH GREEK LEADERS

The mission arrived in Athens the morning of January 13 and attended an early afternoon briefing at the American Embassy by Ambassador Kubisch and his country team. Later in the day the delegation met with Foreign Minister Bitsios and Minister of Coordination and Planning Papaligouras, and then with Prime Minister Caramanlis. In the evening the mission attended a reception hosted by Ambassador and Mrs. Kubisch to which leading Greek officials, Parliamentarians, academicians and businessmen were invited.

The Greek leadership spoke to the mission with candor about a number of significant matters. Points they made to us included the following:

United States-Greek relations

Greece and the United States are bound by friendship; the Government and people of Greece want the closest possible cooperation with the United States. Despite differences between the United States and Greece because of U.S. policy during the junta years and with respect to Cyprus, Greece remains attached to the West and wants close and friendly relations with the United States. However the present Greek leadership needs moral and political support to stabilize the situation in Greece, to help establish a safe and sound democracy following 7 years of dictatorship. Serious difficulties must be overcome: differences over Cyprus, shoring up the economy and building institutions to preserve democracy. If Greece can meet these challenges over the next 2 to 3 years, it will have the strongest democracy in Europe and the United States will have the best possible partner with which to work and cooperate.

Cyprus

The conflict with Turkey over Cyprus threatens the peace and stability of the eastern Mediterranean. Greece has proven its good faith and willingness to negotiate. In urging Greece to support prompt progress in the Cyprus negotiations, members of the mission were "forcing an open door." Although Turkey perpetrated the injustice on Cyprus, Greece, the aggrieved party, has accommodated almost all the Turkish demands, yet there has been no response from the Turks. It is the Government of Turkey and the Turkish community on Cyprus that are creating obstacles to negotiations.

Three days after invading Cyprus, the Turks had achieved their purposes as a guarantor power. Sampson was out, replaced by Clerides. The military dictatorship in Athens had been replaced by Prime Minister Caramanlis. Yet the Turks did not withdraw from Cyprus; 15 days later they advanced and occupied 40 percent of the island, creating a huge refugee problem in the process. The only justification for the second operation was military conquest. Despite this evidence of Turkish perfidy, the new Greek Government asked to sit down and talk about Cyprus. Greece could have insisted on a return to the status quo ante, but instead acceded to Turkish demands for a federal system with a weak central government. Greece must insist, however, that the size of the territories, or zones, be roughly proportionate to the population of the respective communities on the island.

The reality of the situation on Cyprus is that the Turks have 18 percent of the population and 40 percent of the territory. Approximately half the Greek Cypriot population—some 200,000 people—are refugees. The Greeks recognize that this is an intolerable situation and are anxious to negotiate; it is the Turks who are stalling. The problem is not what the Greeks are going to do; the problem is to make the Turks see the light. The Government of Greece has been so moderate and so forthcoming on the Cyprus issue as to arouse some domestic political resentment. By adopting a moderate position on Cyprus, Greece has made a solution to the Cyprus problem relatively easy; there is no solution because there is no Turkish good will.

Embargo/NATO

Greece regards the embargo on arms to Turkey as an internal American question and has no wish to interfere in the matter. However, no one likes to see their enemy armed. Lifting the embargo will not help solve the Cyprus problem. The Turks were warned on the embargo before it took place and paid no attention; they have not responded to the October relaxation.

Greek-Turkish relations

Greece is interested in finding a solution to Cyprus and other Greek-Turkish problems. However a way must be found to get the Turks to respond; otherwise, there is a real danger of war. The Aegean issue is another example of Greek reasonableness and Turkish intransigence. Meanwhile both Greece and Turkey face economic problems. Greece does not oppose economic assistance to Turkey.

Economic problems

Greece's economic problems are aggravated by the need to sustain large defense expenditures because of the situation with Turkey.

Greece also wants to be strong in order to meet her Atlantic alliance responsibilities in the event of a general conflagration. Moreover Greece faces critical social demands and must reactivate its economy if democracy is to prosper.

FINDINGS AND RECOMMENDATIONS

No portion of the mission's trip to the Middle East involved more immediately pressing considerations than the visits to Turkey and Greece, where the key issue discussed was the dispute over Cyprus. In both capitals we sought to convey a sense of the urgency we attribute to achieving progress on Cyprus. In so doing we stressed to our Greek and Turkish allies that we came as friends seeking to be helpful and were not engaged in pressure tactics.

In both Ankara and Athens we were impressed by the evident friendship and good will toward the United States, despite pending problems in our bilateral relations. Greece and Turkey retain an ongoing interest in cooperation with the United States, notwithstanding that in reference to the Cyprus question, Greece believes she is the aggrieved party, while Turkey feels she has been seriously wronged by the United States.

We left the area with a more vivid understanding of why the Cyprus impasse, if permitted to fester, will increase the danger of hostilities between Turkey and Greece. Prime Minister Demirel and Prime Minister Caramanlis both spoke to us, in different contexts, about the possibility of war in the eastern Mediterranean under certain circumstances. These statements were made amid extensive discussion of efforts to move toward a peaceful settlement and were not, in our opinion, intended as threats. It is apparent that until there is a mutually acceptable solution to the Cyprus problem, this dispute will continue to poison Greek-Turkish relations, will impair our relations with two important allies, and will work to the detriment of NATO solidarity and the prospects for enduring peace in the region.

Our visits to Greece and Turkey left us guardedly optimistic about the prospects for progress on Cyprus despite the failures to date in the search for a solution. In Ankara, the Turkish leadership showed, in our opinion, a sincere interest in moving toward a settlement. The mission was assured that a date would be set soon for intercommunal Cyprus talks. In Athens, Prime Minister Caramanlis encouraged us with his statement that in urging Greece to negotiate, "you are forcing an open door."

Thus we were pleased, though not surprised, with the Ankara announcement shortly after our return to Washington that the Cyprus talks would be resumed on February 17. We also welcomed Turkey's subsequent announcement of a withdrawal of another 2,000 Turkish troops from the island, in addition to the approximately 10,000 already pulled out.

Perhaps the most hopeful indication of potential for progress on the Cyprus issue is an apparent similarity of views regarding the general framework of a settlement. The concept envisages an independent Cyprus under a loose federal government, with the Greek and Turkish zones each possessing a large measure of autonomy. How much terri-

tory would be accorded to each zone would, of course, be a major item to be negotiated.

Regretfully, we gained no evidence to suggest that renewed negotiations on Cyprus will quickly produce any dramatic breakthroughs. The suspicions and animosities between Greece and Turkey are deep and longstanding. The Cyprus issues are complex. Both sides must contend with domestic political considerations and the positions taken by the leadership of their kindred communities on the island. Such elements work against a speedy solution.

In order to create and maintain momentum toward a Cyprus settlement, we favor maintaining diplomatic efforts by the United Nations and by friends and allies of the two countries, including the good offices of an American mediator if the appropriate opportunity arises.

We have found no evidence to suggest that U.S. pressure against Turkey such as the arms embargo can effectively induce a Cyprus settlement. We did gain a heightened awareness of the damage done to United States-Turkish relations and to Turkey's contribution to NATO from the previous embargo action, and we believe that any further action along this line would be detrimental to U.S. interests.

On the other hand, it seemed clear to us that both countries want and need U.S. assistance in carrying out mutual security responsibilities. We therefore favor the provision of U.S. assistance to both Turkey and Greece under the pending International Security Assistance Act of 1976 in order to sustain a strong Atlantic alliance and gain the support needed for U.S. interests in the Middle East.

YUGOSLAVIA

In going to Belgrade to confer with Yugoslav leaders prior to returning to the United States, the mission sought to reaffirm congressional interest in good bilateral relations with Yugoslavia, to learn more about Yugoslavia and her outlook on international issues, and particularly to gain perspective on the problems of the Middle East as seen from her unique vantage point.

Yugoslavia is Communist, but a determinedly independent country. She has sought to maintain friendly relations with all states, East and West, but without linkage to their security blocs. Over the years Yugoslavia has played a leadership role in the nonaligned world and has cultivated ties with newly independent countries of the Third World.

Yugoslavia's geographic position in the Mediterranean area and the fact that she has borders with both NATO and Warsaw Pact states makes her particularly conscious of certain international questions, such as the Middle East and Cyprus problems. With the neighboring European Common Market as an important trading partner, her development plans are sensitive to the economic policies of the West.

The mission arrived in Belgrade the afternoon of January 14 and received a briefing at the American Embassy from Ambassador Laurence H. Silberman and his country team. The briefing was followed by a reception at the Embassy residence hosted by Ambassador and Mrs. Silberman which was attended by many prominent Yugoslavians. On January 15 the delegation met with members of the Foreign Affairs Committee, chaired by Mihajlo Javorski, and other members of the Federal Assembly; with Vladimir Bakaric, Vice President of the Socialist Federal Republic of Yugoslavia; with Kiro Gligorov, President of the SFRY Assembly; with Edvard Kardelj, Member of Slovenia of the SFRY Presidency; and attended a lunch hosted by President and Mrs. Gligorov.

The mission was unable to meet with President Tito during its stay in Yugoslavia. We were told he had been taken ill and was away from Belgrade. The mission expressed its wishes for a full recovery and future good health for the President.

Our discussions with Yugoslav leaders covered a wide range of subjects. The views of our hosts on important points included the following:

Middle East

Whether or not Yugoslavia is invited to participate in the Geneva Conference, she will be active in trying to promote a peace settlement based on the U.N. resolutions calling for Israeli withdrawal from all occupied territories and Arab recognition of Israel. Yugoslavia favors a speedup in the step-by-step process. A solution of the Palestine issue is necessary for a settlement. The PLO would be ready to accept a Palestinian state composed of the West Bank and the Gaza Strip, but Israel must be willing to help make this Palestinian state viable.

Such a state would also need economic assistance. The PLO, as the most authoritative representative of the Palestinians, should be included in all Middle East discussions. The United States should undertake a dialog with the PLO. Overall, the United States has the greatest responsibility and opportunity to resolve the Middle East problem and should come up with a complete plan for a settlement.

Détente

Yugoslavia is concerned about détente being limited only to great powers. Smaller states, including Yugoslavia, are also trying to reduce tensions.

Economy

Yugoslavia's GNP grew 5.5 percent in 1975 and her industrial production went up 5.8 percent. However, the inflation and balance-of-payments deficits are troublesome, and have been due to excessive spending as well as to a drop in foreign exchange earnings from the economic downturn. Restrictive European Common Market economic policies have worked against Yugoslavia, while with the United States Yugoslavia has had a balanced trade relationship. Yugoslavia is anxious to step up economic relations with the United States, including joint business ventures and long-term investment.

Angola

Although Yugoslavia has long supported the MPLA, she had wanted a national coalition in Angola at the time Portugal left. Yugoslavia's position is that all foreign intervention should be withdrawn. The final solution must be a nonaligned and independent Angola.

Cyprus

Yugoslavia has good relations with Greece and Turkey and has had talks with the parties concerned including the national groups on Cyprus. There are two conditions under which a peaceful solution is possible. One is to recognize Cyprus as independent and nonaligned; the second is to recognize national groups on Cyprus on the principle of parity. The Turks want parity, the Greeks proportionality. Conditions for a resolution are not bright at present, but a solution may be possible in the future. Also, international support would have to be given to a Cyprus solution.

Bilateral issues

While United States-Yugoslav relations are good, Yugoslav officials are displeased with what they regard as insufficient effort by the U.S. Government to stop terrorist attacks on Yugoslavian missions in the United States. These attacks are perpetrated by Yugoslav emigres and go back a number of years, but U.S. authorities have failed to prosecute those guilty of the crimes.

FINDINGS AND RECOMMENDATIONS

The mission received a most cordial welcome in Yugoslavia which we regard as further evidence of the good relations now prevailing between our countries.

Yugoslavia's leaders showed a keen awareness of the international issues and a depth in knowledge about such complicated questions as

the Middle East dispute and Cyprus peace efforts. We are grateful for their willingness to share their views candidly with us and their desire for peaceful solutions.

Particularly in this Bicentennial year, we appreciate and support Yugoslavia's determination to maintain her independence.

In our economic relationships with Yugoslavia, we share in the desire to increase trade and business activities.

A CONCLUDING OBSERVATION

In addition to the specific findings and recommendations expressed in the country-by-country sections of this report, members of the mission were impressed throughout the visit by the widespread, frequently expressed interest in a continuation of America's active role in international affairs. We sensed a latent fear at various stops that the United States, for a variety of reasons, might be tempted to "turn isolationist" and abandon its international commitments. We would point out that the very existence of this fear, even if it is unjustified, could have a significant impact on our alliances and other relationships and on our ability to influence events in the area.

Each country we visited, regardless of its current state of bilateral relations with Washington, attaches great importance to U.S. policy on such area issues as the Middle East, Cyprus, NATO, and the Indian Ocean, as well as to American policy globally. We returned with a heightened awareness that what the United States does—or does not do—on such issues will continue to have major effect in shaping their future course; and that because we are a major power, we cannot escape this leadership responsibility.

As Members of Congress with particular responsibilities in the field of international relations, we also received many questions about the evolving role of Congress in the shaping of our foreign policy. The concerns expressed to us served as a reminder that what we do on Capitol Hill, as well as what emanates from the White House and the State Department, can often be of far-reaching significance to our friends abroad.

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